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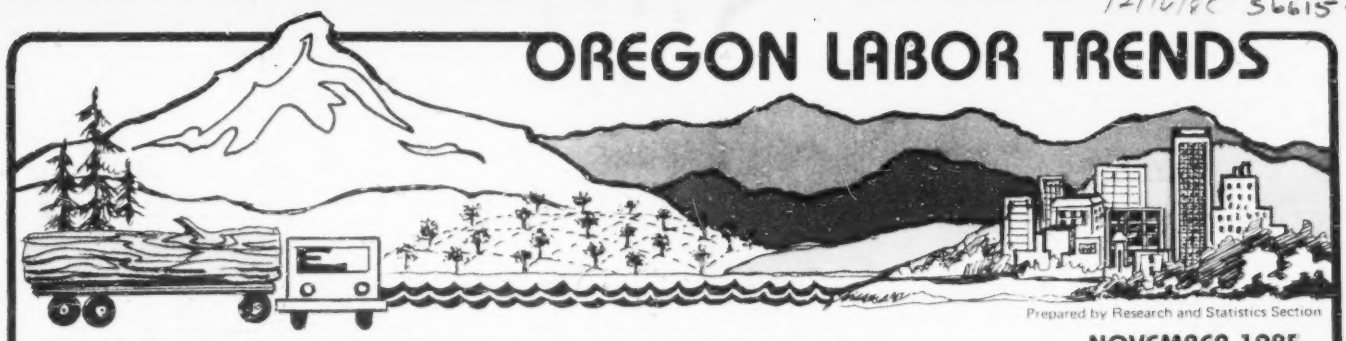
OREGON LABOR TRENDS



Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

NOVEMBER 1985

OCTOBER INDICATORS

UNEMPLOYMENT RATE

		(Seas. Adj.)
Oregon		
Oct.	1985	7.5
Sep.	1985	8.1
Oct.	1984	9.0
U.S.		
Oct.	1985	7.1
Sep.	1985	7.1
Oct.	1984	7.3

WAGE AND SALARY EMPLOYMENT INDEX

		1977=100
Oregon		
Oct.	1985	110.2
Sep.	1985	109.2
Aug.	1985	109.4
July	1985	108.8
June	1985	108.7

DIFFUSION INDEX

Oregon		
Oct.	1985	53.5
Sep.	1985	47.3
Aug.	1985	45.7
July	1985	45.3
June	1985	45.7

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon		
Sep.	1985	38.8
Aug.	1985	38.6
Sep.	1984	40.2

CONSUMER PRICE INDEX (CPI)

1967=100

ALL URBAN CONSUMERS

Portland MSA		
Sep.	1985	314.9
Yearly Change		+ 4.1%
U.S.		
Oct.	1985	325.5
Yearly Change		+ 3.2%

Portland Hotline 221-4132

A REASON FOR THANKSGIVING

Graham Slater

While few people would claim that Oregon's economic woes are over, the state's employment and unemployment statistics suggest that we approach this holiday season in much better shape than was the case last year. Oregon's three employment-related economic indicators all registered improvement in October.

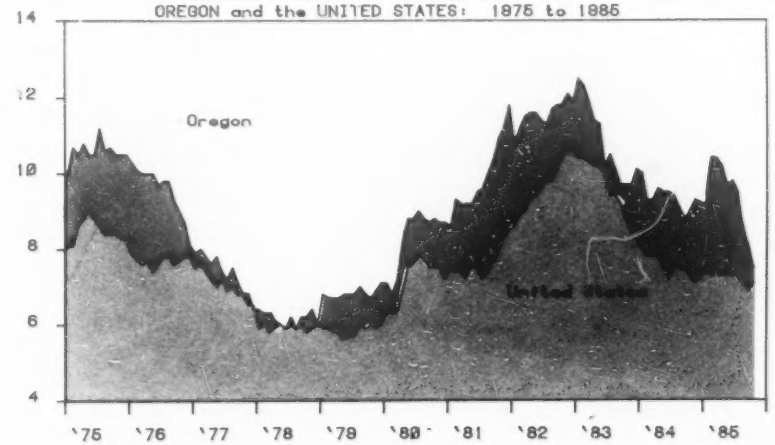
Economic contradictions, however, are still apparent. On one hand, October's statistics provided a degree of optimism which has been absent for some time. But on the other, we must recognize that 'recovery' has crept towards certain areas of the state while shunning others. As well as analyzing the events of last month, this article will study the relative health of different regions of the state. This analysis may be a little more sobering than the statewide statistics suggest.

Oregon's seasonally adjusted unemployment rate fell to 7.5% in October, its lowest level since March, 1980. In September the rate was 8.1%, while 9.0% was the year ago level.

Twelve months ago, 110,900 Oregonians were unemployed. That figure has dropped to 90,400 currently. During the same period, total employment has grown from 1,229,400 to 1,251,500.

The national seasonally adjusted unemployment rate remained unchanged at 7.1% in October. While Oregon's rate has declined from 10.4% early in 1985, national rates have stagnated in the 7.0-7.4% range since the beginning of the year.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1975 to 1985



* Civilian labor force only

RESIDENT OREGON LABOR FORCE

	OCT. 1985 1/	SEPT. 1985 2/	CHANGE	% CHANGE	OCT. 1984 5/
CIVILIAN LABOR FORCE 3/	1,341,900	1,334,100	7,800	0.6	1,340,300
UNEMPLOYMENT	90,400	94,000	- 3,600	- 3.8	110,900
PERCENT OF LABOR FORCE	6.7	7.0	XXX	XXX	8.3
SEASONALLY ADJUSTED PERCENT	7.5	8.1	XXX	XXX	9.0
TOTAL EMPLOYMENT 4/	1,251,500	1,240,100	11,400	0.9	1,229,400

1/ PRELIMINARY. 2/ REVISED. 3/ INCLUDES EMPLOYED AND UNEMPLOYED INDIVIDUALS 16 YEARS AND OLDER. DATA ARE ADJUSTED FOR MULTIPLE JOB-HOLDING AND COMMUTING. 4/ INCLUDES NONAGRICULTURAL WAGE AND SALARY, SELF-EMPLOYED, UNPAID FAMILY WORKERS, DOMESTICS, FARM WORKERS, AND LABOR DISPUTANTS. 5/ DUE TO REVISED ESTIMATING PROCEDURES BETWEEN DECEMBER 1984 AND JANUARY 1985, DATA FOR 1985 AND THAT OF PREVIOUS YEARS ARE NOT STRICTLY COMPARABLE.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	OCT. 1985 1/	SEPT. 1985 2/	OCT. 1984	CHANGE FROM SEPT. 1985	CHANGE FROM OCT. 1984
TOTAL 3/	1,049,700	1,040,800	1,029,600	8,900	20,100
WAGE & SALARY EMPLOYMENT INDEX 4/	110.2	109.2	108.2	XXX	XXX
DIFFUSION INDEX 5/	53.5	47.3	55.5	XXX	XXX
TOTAL MANUFACTURING	207,300	206,500	205,400	800	1,900
DURABLE GOODS	146,900	146,600	148,100	300	- 1,200
LUMBER & WOOD PRODUCTS	65,800	66,200	66,800	- 400	- 1,000
LOGGING & SAWMILLS	35,300	35,500	35,700	- 200	- 400
VENEER & PLYWOOD	16,400	16,300	17,100	100	- 700
MILLWORK & STRUCTURAL WOOD	8,700	8,900	8,400	- 200	300
MOBILE HOMES	1,500	1,500	1,600	0	- 100
OTHER WOOD PRODUCTS	3,900	4,000	4,000	- 100	- 100
FURNITURE AND FIXTURES	2,700	2,600	2,700	100	0
STONE, CLAY, GLASS & CONCRETE	2,600	2,700	2,700	- 100	- 100
PRIMARY METALS	8,900	9,000	9,200	- 100	- 300
BLAST FURNACES, IRON & STEEL	5,600	5,700	5,500	- 100	100
NONFERROUS METALS	3,300	3,300	3,700	0	- 400
FABRICATED METALS	11,300	11,300	10,500	0	800
FABRICATED STRUCTURAL METALS	5,800	5,800	5,000	0	800
OTHER FABRICATED METALS	5,500	5,500	5,500	0	0
MACHINERY	15,400	15,500	16,200	- 100	- 800
ELECTRICAL EQUIPMENT & SUPPLIES	13,600	13,900	14,800	- 300	- 1,200
TRANSPORTATION EQUIPMENT	9,400	8,000	8,000	1,400	1,400
INSTRUMENTS & RELATED PRODUCTS	14,100	14,300	14,400	- 200	- 300
MISCELLANEOUS MANUFACTURING	3,100	3,100	2,800	0	300
NONDURABLE GOODS	60,400	59,900	57,300	500	3,100
FOOD & KINDRED PRODUCTS	30,200	29,700	27,300	500	2,900
CANNING & PRESERVING	19,700	19,400	16,500	300	3,200
OTHER FOOD PRODUCTS	10,500	10,300	10,800	200	- 300
TEXTILE MILL PRODUCTS	1,600	1,600	1,600	0	0
APPAREL	2,400	2,400	2,800	0	- 400
PAPER & ALLIED PRODUCTS	9,200	9,500	8,500	- 300	700
PRINTING & PUBLISHING	11,200	11,000	11,100	200	100
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,100	0	0
PETROLEUM REFINING	500	500	600	0	- 100
RUBBER & PLASTIC PRODUCTS	2,700	2,700	2,900	0	- 200
LEATHER PRODUCTS	500	400	400	100	100

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	OCT. 1985	SEPT. 1985	OCT. 1984	CHANGE FROM SEPT. 1985	CHANGE FROM OCT. 1984
(CONT.)					
TOTAL NONMANUFACTURING	842,400	834,300	824,200	8,100	18,200
MINING & QUARRYING	1,600	1,700	1,700	- 100	- 100
CONSTRUCTION	34,600	34,400	32,900	200	1,700
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	56,000	56,000	56,000	0	0
TRANSPORTATION	33,900	33,600	33,700	300	200
RAILROAD	5,000	5,000	5,300	0	- 300
TRUCKING & WAREHOUSING	18,400	18,300	18,300	100	100
OTHER TRANSPORTATION	10,500	10,300	10,100	200	400
COMMUNICATIONS	13,400	13,600	13,700	- 200	- 300
UTILITIES	8,700	8,800	8,600	- 100	100
TRADE	265,000	266,700	258,100	- 1,700	6,900
WHOLESALE TRADE	67,900	68,100	66,100	- 200	1,800
DURABLE GOODS	39,100	39,400	38,500	- 300	600
NONDURABLE GOODS	28,800	28,700	27,600	100	1,200
RETAIL TRADE	197,100	198,600	192,000	- 1,500	5,100
GENERAL MERCHANDISE	24,300	23,600	24,900	700	- 600
FOOD STORES	30,800	31,200	29,000	- 400	1,800
AUTO DEALERS & SERVICE STATIONS	25,200	25,600	24,700	- 400	500
OTHER RETAIL TRADE	116,800	118,200	113,400	- 1,400	3,400
FINANCE, INSURANCE, & REAL ESTATE	68,600	68,900	66,800	- 300	1,800
BANKING & CREDIT AGENCIES	23,500	23,700	23,300	- 200	200
OTHER FINANCE, INSURANCE, & REAL ESTATE	45,100	45,200	43,500	- 100	1,600
SERVICES	213,600	215,200	209,000	- 1,600	4,600
HOTELS & PERSONAL SERVICES	23,600	24,400	23,600	- 800	0
HEALTH SERVICES	70,500	70,300	68,600	200	1,900
OTHER SERVICES	119,500	120,500	116,800	- 1,000	2,700
GOVERNMENT	203,000	191,400	199,700	11,600	3,300
FEDERAL GOVERNMENT	30,400	31,100	29,800	- 700	600
STATE GOVERNMENT	55,800	51,500	55,900	4,300	- 100
EDUCATION	22,700	17,600	23,600	5,100	- 900
OTHER STATE	33,100	33,900	32,300	- 800	800
LOCAL GOVERNMENT	116,800	108,800	114,000	8,000	2,800
EDUCATION	73,700	65,600	72,300	8,100	1,400
OTHER LOCAL	43,100	43,200	41,700	- 100	1,400
LABOR-MANAGEMENT DISPUTES	100	100	900	0	- 800

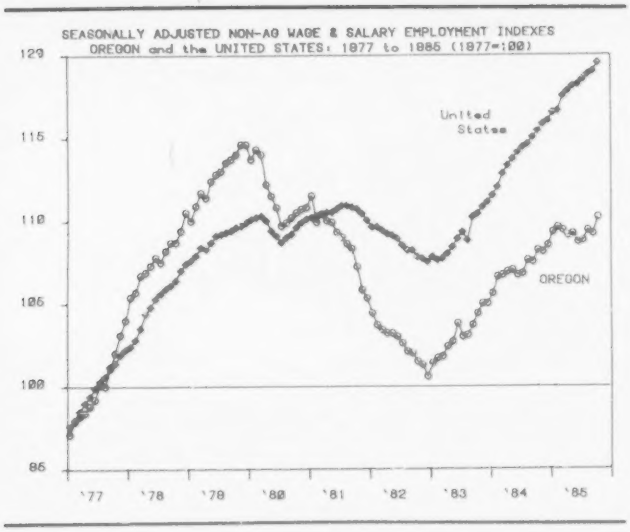
1/ PRELIMINARY

2/ REVISED

3/ INCLUDES FULL AND PART-TIME NONFARM WAGE AND SALARY WORKERS IN PAY PERIODS INCLUDING THE 12TH OF THE MONTH. PROPRIETORS, SELF-EMPLOYED, PRIVATE HOUSEHOLD WORKERS AND ARMED FORCES EXCLUDED. NOTE: ESTIMATED IN COOPERATION WITH THE U.S. BUREAU OF LABOR STATISTICS AND EMPLOYMENT AND TRAINING ADMINISTRATION. ALL DATA ARE BASED ON THE 1972 STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODES AS AMENDED BY THE 1977 SUPPLEMENT.

4/ TOTAL NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT, SEASONALLY ADJUSTED, AND INDEXED TO 1977. DATA ON THE EARLIER INDEX (1972 = 100) CAN BE CONVERTED TO THE 1977 BASE PERIOD BY MULTIPLYING BY A FACTOR OF .8264, THE RATIO BETWEEN 1972'S ANNUAL AVERAGE EMPLOYMENT (774,300) AND THAT OF 1977 (936,900).

5/ THE DIFFUSION INDEX IS THE PERCENTAGE OF A SELECTED GROUP OF 43 INDUSTRIES SHOWING AN INCREASE IN SEASONALLY ADJUSTED EMPLOYMENT. HALF OF THOSE INDUSTRIES SHOWING NO SIGNIFICANT CHANGE (LESS THAN 1/2 OF 1%) ARE COUNTED AS INCREASING.



Adding to the positive movement in Oregon's unemployment rate, the nonagricultural wage and salary employment index rose to 110.2, its highest level in four years. This seasonally adjusted index expresses wage and salary employment in terms of the average level of 1977. In other words, a reading of 110.2 tells us that the state has 10.2% more payroll jobs now than in 1977. However, as will be shown later in this article, a comparison with 1979 shows that despite nearly three years of 'recovery', employment in much of the state still lags behind 'pre-recession' levels. Back to the 1977-based index -- 109.2 in September and 108.2 one year ago place October's 110.2 in context, as does the low point of 100.6 recorded in December, 1982.

Oregon's third indicator, the diffusion index, also recorded its most positive month in some time. This index attempts to predict employment trends roughly six months in the future, and over the past year or so has done a commendable job of doing so. For most of 1984 and early 1985, the diffusion index stayed in the mid to high 50s range (50.0 being the 'cutoff' point), leading perfectly into an unemployment rate which has declined for four consecutive months. However, since April of 1985, the index has struggled around 45-48, suggesting that a slight increase in unemployment rates may be approaching. In October, the diffusion index broke through the 50.0 barrier, reaching 53.5. Now we watch to see if this much more satisfactory level can be maintained.

Turning now to wage and salary employment levels, one generalization can be made: at a time of year when employment was expected to decrease, all but one of Oregon's major industries either recorded job gains or lost fewer jobs than anticipated.

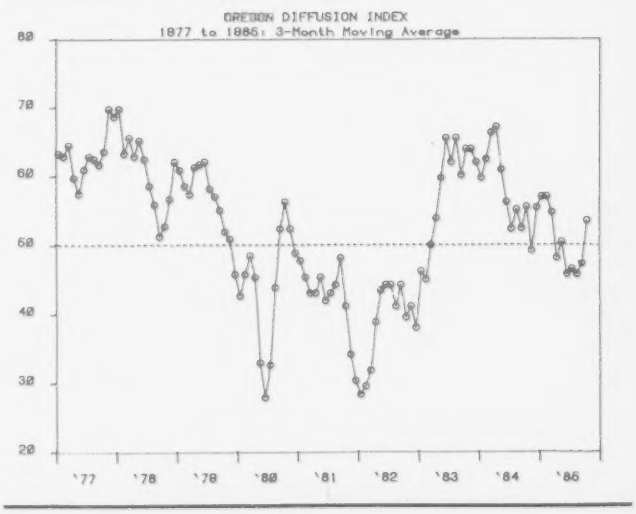
Oregon's manufacturing industries generally drop over 4,000 jobs in October, many in lumber & wood products and food & kindred products. In lumber and wood products, 400 jobs did disappear, but this compares very favorably with the normal loss of 2,000. Although at least one plant closure seems to be announced every month, all segments of the industry recorded relative stability in October, with veneer & plywood actually adding 100 employees.

Other manufacturers of durable goods showed similar stability. Employment changes from September to October were minimal, except in transportation equipment, where new contracts doubled the level of shipbuilding and repair employment to 2,500. Both transportation equipment (+1,400) and fabricated metals (+800) recorded healthy gains over last October.

We have been predicting an early peak in canning and preserving employment as a result of early harvesting of many crops following the excellent weather Oregon has enjoyed this year. While these predictions were realized in the canneries, October's statistics show a sizeable shift from canning to frozen food employment. In fact, of the firms in our monthly sample of employers, those involved in canning recorded a 24% decrease in employment, while the frozen food companies registered a 13% increase. A number of late fruits and vegetables were still arriving at the processors throughout October. All this adds up to the fact that in a month when food processing employment is 'supposed' to drop 1,300, it actually increased by 500.

Construction experienced an excellent month, as employment grew by 200, instead of declining by 1,200 as seasonally expected. The new jobs appeared in two areas - plumbing, heating and air conditioning contractors (a seasonal increase due to the approaching winter months), and general contractors, both residential and nonresidential. Although residential construction has gone through difficult times in recent years, the rate at which multi-family permits are being issued this year is running at double the level of 1984. Some of these permits are finally translating into construction activity because of the following:

1. Interest rates are lower now than they have been for some time.
2. Vacancy rates are falling, particularly in Washington County, where much of the residential activity is taking place.
3. Tax benefits for residential investments other than in one's home may be diminished in the future depending on the direction of tax reform.



Trade employment declined by 1,700, with most of this drop coming in food stores, gas stations, apparel stores, and eating & drinking places. Historically, October represents a temporary low in trade employment, before the onset of Christmas hiring. Watch this industry's hiring trend carefully over the next two months to see how much confidence retailers have in consumer spending.

It is ironic that the one industry which has consistently shown growth over the past few years recorded raw and seasonally adjusted job losses in October, when many other industries were doing so well. The 1,600 job decline in services came mostly in amusements & recreation, business services, and hotels. Increasing employment was found in health services and private education.

Government employment, subject to so many taxpayer whims, appeared robust in October as education employment regained school year levels in local K-12 schools as well as the state's universities and community colleges.

To summarize, October was a month of unexpected good news, providing more optimism than seemed possible a few months ago. At least, that's how it looks at the statewide level. But an analysis of employment trends in each area of the state suggests that this is far from consistent across the entire state.

The following table gives 1982 and 1985 indexes for various areas of the state, expressing payroll employment in terms of the 1979 average level:

EMPLOYMENT TRENDS IN MANUFACTURING AND NONMANUFACTURING
Oregon: Nonfarm Wage & Salary Employment

		INDEX* 1982	1985
Oregon	Total W & S	91.0	97.2
	Manufacturing	81.3	86.7
	Nonmanufacturing	93.6	100.1
Willamette Valley	Total W & S	92.4	98.2
	Manufacturing	84.2	86.7
	Nonmanufacturing	94.5	101.2
North Coast	Total W & S	91.1	94.7
	Manufacturing	71.5	77.8
	Nonmanufacturing	98.2	100.9
Southern Oregon	Total W & S	86.7	95.0
	Manufacturing	73.4	88.0
	Nonmanufacturing	91.3	97.4
Southeastern Oregon	Total W & S	86.7	88.3
	Manufacturing	76.3	82.7
	Nonmanufacturing	90.1	90.1
Central Oregon	Total W & S	88.4	100.6
	Manufacturing	72.5	90.9
	Nonmanufacturing	92.6	103.2
Northeastern Oregon	Total W & S	87.8	89.6
	Manufacturing	80.5	87.8
	Nonmanufacturing	89.3	90.1

* Index based on 1979=100.

Looking at total payroll employment for 1985, it appears that most of the state has recovered to within 5% of the pre-recession (1979) level of employment. Only one area, Central Oregon, has actually shown growth in the six year period. The entire Eastern Oregon region has recorded a significant decline, with more than 10% of the area's jobs lost.

Manufacturing employment has fared much worse than nonmanufacturing employment. Between 1979-82, a 15-20% manufacturing employment decline was not uncommon across the state. In some counties - Baker, Crook, Grant, Harney, and Wheeler - manufacturing employment dropped by half. And in 1985, statewide manufacturing employment is still about 13% below 1979 levels.

Nonmanufacturing employment has currently regained all the jobs lost statewide, but many of them are now in different locations. For instance, it appears that the Willamette Valley, North Coast, and Central Oregon all employ more nonmanufacturing workers now than in 1979, while nonmanufacturing employment in Eastern Oregon is still down 10%.

Perhaps a future article in this publication will examine in more detail economic differences across the state. For now, the point has been made. Oregon's unemployment rate and other indicators were most encouraging last month. But in certain areas, there are still many who are not only unemployed, but who have little hope of finding work in the near future. Despite a falling unemployment rate in recent months, we must not relax our efforts to promote economic development and create new jobs. Until job opportunities are available to all unemployed workers throughout the state, we should remember the 90,400 'celebrating' a jobless Thanksgiving.□

EMPLOYERS CORNER – NEW LEADERSHIP FOR OREGON JSEC's

Dorothy Monnier

The Oregon Job Service Employers' Committee elected Karolyn Newgard as new State Chairperson at its annual meeting in Bend, November 13-15, 1985.

Karolyn, staffing supervisor for Wacker Siltronic in Portland, has served as the Portland JSEC Chairperson for the past year and a half. She helped launch the successful "Professional Placement Service" project in Portland.

We also want to take this opportunity to extend a sincere "Thank You" to the two out-going state officers, Faye Meske Jorgensen, State Chairperson and Jim Tabler, State Vice-Chairperson. Faye and Jim have been dynamic leaders these past two years. It was during their tenure that Oregon JSECs won a national award for having the "Outstanding Statewide JSEC of the Year". It is important that we recognize the value of their positive advocacy, and their honest and constructive criticism. This type of dialogue is imperative if the Employment Division is to continue improving its services to employers and applicants.

THANK YOU, FAYE AND JIM. You have certainly left your mark as we continue to strive for excellence. You brought about a lot of change in the two short years you led the Oregon JSECs.

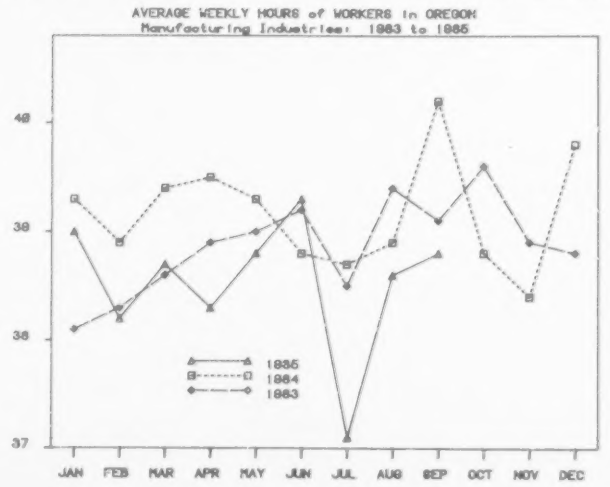
NOTE TO EMPLOYERS: If you are not happy with the services provided by your local Employment Service office, I CHALLENGE you to become involved in your local JSEC. We give you the opportunity to have a voice in the service you are already paying for in FUTA taxes. Please call 1-800-237-3710 ext. 8-4446 and ask to talk to Dorothy Monnier, JSEC Coordinator.□

HOURS & EARNINGS

Jeff Hannum

The 'average' manufacturing worker saw weekly earnings rise in September by $7.09, due to a slight increase in the average workweek and a 13 cent gain to $10.38 in average hourly earnings. Averages, however, don't tell the whole story. In this case, average earnings improved, but there were also 2,100 fewer manufacturing production workers earning paychecks in September - a much larger employment decline than usual. The main reason for this was an early peak in vegetable harvesting and related food processing activity this summer. The layoff of 1,700 lower-paid seasonal workers in this industry contributed heavily to September's gain in average hourly earnings.

Although the length of the average workweek in manufacturing crept higher in September, this key indicator, as the accompanying graph shows, has not performed as well in 1985 as in either of ~~the past~~ two years. Manufacturing employment has exhibited a similar trend this year, showing over-the-year gains from January through March, but annual job losses in each of the following six months. Since the average weekly hours series often foreshadows employment trends later on, it would be useful to watch this indicator closely in the months ahead.□



AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Sep. 2/ ~~1985~~	Aug. 3/ 1985	Sep. 1984	Sep. 2/ 1985	Aug. 3/ 1985	Sep. 1984	Sep. 2/ 1985	Aug. 3/ 1985	Sep. 1984
TOTAL MANUFACTURING 4/	$402.74	$395.65	$415.27	38.8	38.6	40.2	$10.38	$10.25	$10.33
Durable Goods	419.83	415.52	438.04	39.2	39.2	40.9	10.71	10.60	10.71
Lumber & Wood Products	443.52	428.29	456.12	39.6	38.9	40.4	11.20	11.01	11.29
Logging & Sawmills	470.69	451.01	492.47	38.9	37.9	40.7	12.10	11.90	12.10
Veneer & Plywood	438.21	427.73	456.85	40.5	39.9	40.9	10.82	10.72	11.17
Millwork & Struct Wood	359.38	353.33	347.51	40.7	40.8	39.4	8.83	8.66	8.82
Mobile Homes	311.86	309.59	257.54	35.6	36.9	32.6	8.76	8.39	7.90
Other Wood Products	466.77	445.94	447.12	41.9	40.8	40.5	11.14	10.93	11.04
Furniture & Fixtures	316.09	304.67	290.88	38.5	37.2	36.0	8.21	8.19	8.08
Primary Metals	481.98	499.28	478.61	39.8	40.2	41.8	12.11	12.42	11.45
Fabricated Metals	383.27	384.55	402.99	39.8	39.2	39.9	9.63	9.81	10.10
Machinery	423.37	412.78	426.36	39.5	39.2	40.8	10.87	10.53	10.45
Nondurable Goods	359.28	349.31	357.28	37.7	37.2	38.5	9.53	9.39	9.28
Food & Kindred Products	289.75	277.70	293.00	37.1	36.3	38.3	7.81	7.65	7.65
Canning & Preserving	243.26	231.62	256.19	36.2	35.2	38.7	6.72	6.58	6.62
Other Food Products	411.20	407.40	392.77	39.5	39.4	37.3	10.41	10.34	10.53
Textile Mill Products	221.33	210.79	219.83	34.8	33.3	36.7	6.36	6.33	5.99
Apparel	213.57	215.39	207.75	37.8	38.6	37.5	5.65	5.58	5.54
Paper & Allied Products	615.49	594.14	583.11	41.7	40.5	41.8	14.76	14.67	13.95
Printing & Publishing	382.45	397.95	433.16	34.3	35.0	36.4	11.15	11.37	11.90
Construction 4/	486.46	509.01	540.54	35.2	37.1	37.8	13.82	13.72	14.30
Communications & Utilities 5/	500.82	490.86	512.93	41.7	40.5	41.1	12.01	12.12	12.48
Trade 5/	291.37	289.00	291.89	34.4	34.0	34.3	8.47	8.50	8.51
Wholesale Trade	400.79	396.52	391.23	38.5	38.2	37.8	10.41	10.38	10.35
Retail Trade	238.79	239.15	243.85	32.4	32.1	32.6	7.37	7.45	7.48
Banking & Insurance	292.03	281.33	277.03						
State & Local Government	357.65	365.75	341.71						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
2/ Preliminary
3/ Revised
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

SALEM MSA PROFILE

Earl Fairbanks

The Salem Metropolitan Statistical Area (MSA) is composed of Marion and Polk counties and lies in the heart of Western Oregon's Willamette Valley. At its geographic and economic center is Salem, the state capitol and Oregon's third largest city.

Marion County, previously called "Champoick," was created in 1843, 16 years before statehood. In 1849 the name was changed to "Marion" after General Francis Marion, a Revolutionary War hero whose successful campaigns against the British won him the popular title of "Swamp Fox."

Polk County, established in 1845, was named for then U.S. President James Polk. The town of Independence was the final destination for early wagon trains to Oregon.

Sheltered from extreme temperatures, the Willamette Valley enjoys a generally mild climate. Winter temperatures seldom fall below 25 F and a typical summer day will be in the low 80s.

The Salem MSA has one of the state's lowest rates of unemployment. Its relative success is due to a broad economic base comprised of state government, food processing, agriculture, trade, and services. It is also free from the timber industry dominance experienced by much of Oregon.In 1984, less than 4% of the payroll jobs in Marion and Polk counties were in lumber and wood products, compared with 13% in Oregon outside the Portland and Salem areas, 12% in Lane, 26% in Douglas, and 38% in Crook County.

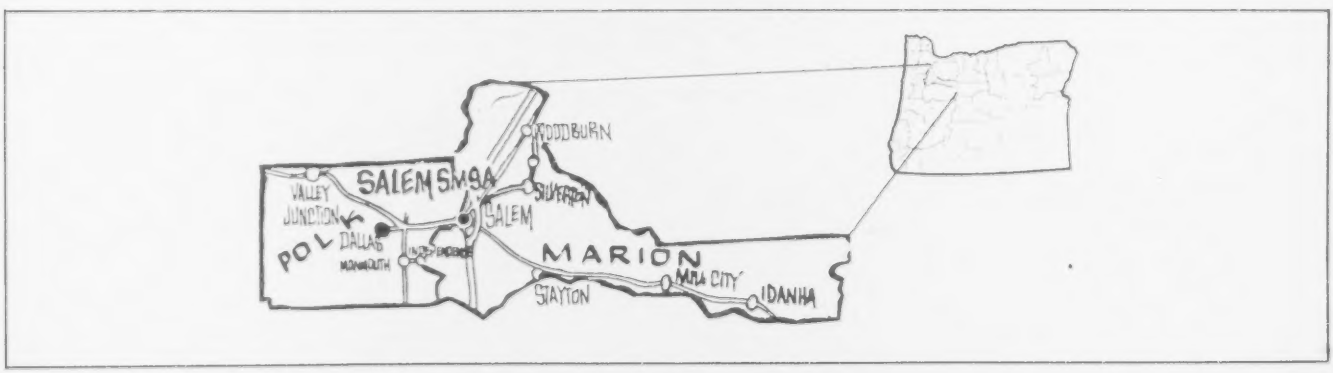
Marion and Polk counties constitute one of the nation's largest food processing centers, and produce approximately nine million cases of canned food and 450 million pounds of frozen food a year. Many area family incomes are supplemented each year when six to seven thousand seasonal jobs are added for the processing season. Employment normally peaks at between nine to ten thousand every August. The largest single product is green beans, but a broad range of other vegetables, fruits, berries,and meat products grown throughout the valley are also processed. Other products include apples, beets, blackberries, brussels sprouts, cabbage, carrots, cherries, corn, cauliflower, pears, peas, plums, prunes, pumpkin, raspberries, rhubarb, strawberries, squash, turkeys, and wax beans.

Polk ranks 4th in the state in the percentage of its residents with 16 or more years of education. The 1980 census showed that 20% of Polk and 17% of Marion County residents age 25 and over had completed four years of college. Both counties were above the national average of 16%.

Area residents are offered their choice of four local institutions of higher education, including Chemeketa Community College, Western Baptist College, and Willamette University in Salem, and Western Oregon State College in Monmouth. Also within commuting distance are major educational institutions including Oregon State University in Corvallis, 35 miles south of Salem; Portland State University in Portland, 47 miles to the north; and the University of Oregon in Eugene, 64 miles south of Salem.

But even with its relatively diverse and stable economy, the area was hit hard by the 1981-83 recession. Unemployment, which averaged 5.6% of the labor force in 1978, reached 13.8% in January 1983 and the area hasn't yet fully recovered. A rate of about 8.6% is expected for the 1985 average. Even so, the two counties should be better cushioned from further economic swings as we move through the rest of the 1980s. Recent years have brought much restructuring of the area's manufacturing industries, especially in lumber and food products. Local manufacturers who have survived the last few years by modernizing and increasing efficiency will stand a better chance of continuing to provide jobs in the future.

Long-term potential for job creation is likely to lie not in the traditional lumber/ag/food products industries, but in diversification into other fields. High tech has created some jobs in Marion and Polk counties, but high tech by itself is not enough. Each locality has certain industrial, social, and geographic advantages that need to be identified and exploited. For starters, Polk has fertile farm land and easy access to Salem, and Marion already has a relatively diverse industrial base and is the trade center of the mid-Willamette valley.□



NEW LMI PUBLICATIONS

Oregon Careers, 1985-86, Oregon's career and job market information newspaper, is now available. Articles include "Preparing for Tomorrow's Jobs," "International Trade = Jobs," and a two-page section featuring three of Oregon's self-made business people.

As always, the main feature of this newspaper is the current information on over 200 of the state's key occupations. Job seekers will find job descriptions, salary ranges, demand/supply analyses, and educational/training data for all of these occupations.

Oregon Careers, 1985-86 is available free of charge at all Employment Division local offices, as well as community college and high school career centers statewide. Copies may also be obtained by writing to: Oregon Careers; Employment Division, Research and Statistics; 875 Union Street NE, Salem, OR 97311; or by calling: (503) 378-6400.

Teachers should also be aware that there is an Oregon Careers Users' Guide, 1985-86 available to help promote further career exploration. It also includes classroom and individual activities that help to increase students' understanding of labor market concepts. Contact Nancy Hargis, Oregon Occupational Information Coordinating Committee, 875 Union Street NE, Salem, OR 97311; or call: (503) 378-8146.

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The 1984 Oregon Wage Information report is now available. Over 300 common occupations are listed including 1983 employment, the sources of wage data for each occupation, and wages (low, average, high).

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Employment Division - R&S
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The 1984 Oregon Covered Employment and Payrolls by Industry and County publication is now available. Included are employment and payroll data at the four-digit industry level (using Federal Standard Industrial Classification codes) for the state and two-digit industry level for each Oregon county. For your copy please contact:

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Attn: ES 202
875 Union Street NE
Salem OR 97311
Telephone: 378-8654
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OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: Jeff Hannum, R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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